

SAUDIGOLD GROUP BERHAD (“SAUDIGOLD” or the “Company”)
(Formerly known as SAUDEE GROUP BERHAD)
Registration No. 200801036832 (838172-P)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE SIXTEENTH ANNUAL GENERAL MEETING (“16TH AGM”) OF THE COMPANY CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE PARTICIPATION AND VOTING FROM THE BROADCAST VENUE AT LOT 4.1, LEVEL 4, MENARA LIEN HOE, NO. 8, PERSIARAN TROPICANA, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR DARUL EHSAN ON THURSDAY, 23 JANUARY 2025 AT 2:00 P.M.

The company secretary informed all present that in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting on all the resolutions set out in the Notice of the 16th AGM will be carried out by way of poll. Workshire Share Registration Sdn. Bhd. has been appointed as the polling agent and Symphony Corporate Services Sdn. Bhd. has been appointed as the Independent Scrutineer (“Scrutineer”) for the polling process. The polling was conducted electronically via the Remote Participation and Voting (“RPV”) facilities. The voting session commenced from 2:00 p.m. and remain open for voting until the announcement of end of the voting session by the Chairman. She further informed that members and proxy holders could pose their questions in real time during the Meeting by using the query box in the RPV application. The polling administrator showed a presentation on how to pose questions and vote through the RPV facilities.

The company secretary informed that the Company has received a letter dated 16 January 2025 from Minority Shareholders Watch Group (“MSWG”) and the Company has replied to MSWG accordingly. The questions from MSWG and the Company’s response were projected on the screen for ease of reading by the shareholders.

The queries from MSWG and the Company’s response are set out below:-

Operational & Financial Matters

Q1. “The Management will continue to improve its production efficiency and increase its production capacity to capture a bigger market share in the FPP segment which has cater more sales and increase the market for East Malaysia, i.e. Sabah and Sarawak. The demand from East Malaysia improved by around 1.5 times as compared to FYE 2023. During the financial under review, the Company invests into expanding its production capacity to enable to produce more in FPP products and meet the demand of local and East Malaysia market.” [Page 14 of Annual Report (“AR”) 2024].

(a) Please provide a breakdown of total sales to Sabah, Sarawak and other location in Malaysia for FYE 2022, FYE 2023 and FYE 2024 respectively.

(b) It was mentioned in the reply to MSWG for the questions raised at the AGM held on 10 January 2024 that the expansion was expected to be completed during 1st half of 2024. Kindly provide a status update on the expansion. What is the production capacity and utilisation rate of the facility post-completion?

A1. (a) The breakdown of revenue for West and East Malaysia for FYE 2022, FYE 2023 and FYE 2024 are as follows:

	FYE 2024	FYE 2023	FYE 2022
West Malaysia	RM80.03 million	RM93.25 million	RM96.15 million
East Malaysia	RM3.51 million	RM2.33 million	RM0.73 million
Total	RM83.54 million	RM95.58 million	RM96.88 million

(b) The expansion project was mostly completed in second half of year 2024 except for some machineries alterations to improve the efficiency and smoothen the production flows. The utilisation rate as at to-date is around 70% of available capacities.

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Q2. “After completely implementing the distributorship model under current year review, the Group was able to strengthen its credit control and minimise exposure of credit risks.” (Page 18 of AR 2023 and Page 17 AR 2024).

(a) Please clarify when was the completion date for change over to distributorship model from direct retail selling model?

(b) What are the steps undertaken to ensure that accuracy of the information disclosed in the AR?

A2. (a) and (b)

This exercise has been fully completed at end of FYE 2023 and the step undertaken to ensure the accuracy of information disclosed was based on the data collected on our Enterprise Resource Planning (“ERP”) system, ie. based on daily operation and financial data.

Q3. “The decreased in GP margin mainly due to increase in material costs especially in chicken pricing during FYE 2024.” (Page 15 of AR 2024).

(a) What was the average purchase price of poultry for the past 5 financial years?

(b) In view of the recent inflation, has the Company has passed on the increase in cost to consumers? If yes, by how many percent?

A3. (a) The average purchase price of poultry by the Company for the past 5 financial years has increased from RM3.50 per kg to average RM6.30 per kg.

(b) In view of the recent inflation, the Company continued to perform the cost reduction programme to reduce the impact on the inflation and also review the price of our products by not more than 5% on average.

Q4. 70% of SaudiGold’s Cost of Goods Sold (“COGS”) is derived from raw materials and components sourced from overseas suppliers. (Page 27 of AR 2025).

In view that 70% of the raw materials and components were sourced overseas, how does the Company manage the exposure due to fluctuation of the foreign currency resulting from these purchases?

A4. The Company done some hedging of foreign currency mainly US Dollar vs Ringgit Malaysia. Besides, the Company also will discuss with its supplier by providing forecast to fix the price for around 3 to 6 months to minimise the exposure on changes in pricing and foreign currency exposure.

Corporate Governance Matters

Q5. The table below sets forth the details of Mr. Tay Ben Seng, Benson’s remuneration for the FYE 2022, 2023 and 2024:

	Total remuneration (RM)	Increase	
		RM	%
FYE 2022	315,164	-	-
FYE 2023	455,939	140,775	44.67%
FYE 2024	502,034	46,095	10.11%

The Company recorded a revenue of RM83.55 million for the FYE 2024, representing a decrease of RM12.04 million or 12.59% compared to its revenue in the previous financial year. The Company also reported losses after tax for the past 5 financial years.

Please explain the rationale behind this remuneration increase in view of the Company's financial performance. How does the remuneration structure align with shareholder interests?

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- A5. The remuneration paid to the Executive Director (“ED”) and Chief Executive Officer (“CEO”) in total was reduced from RM2.3 million in year 2023 to RM1.8 million in Page 109 of AR 2024 due to the resignation of another ED in FYE 2022 and resignation of CEO. The remuneration of ED has increased as the ED assumes the role and duty of CEO. Therefore, the total remuneration for Directors of SaudiGold was reduced by around RM0.5 million as shown in Page 109 of AR 2024.

Sustainability Matters

- Q6. The table below sets forth the intensity ratio of Scope 2 emissions:**

Year	Total CO₂ Emissions (tonne)	Production (tonne/year)	Intensity Ratio (tonne CO₂/tonne production)
2023	5,215.62	8,640	0.6036
2024	5,181.82	9,000	0.5758

What is the Group’s long-term target intensity ratio?

- A6. The Group targeted that in the coming 5 to 10 years to reduce the intensity ratio from 0.6 to 0.4 by way of improving the production capacity and maintain or reduce the gas CO₂ emissions.

The Audited Financial Statements for the year ended 31 July 2024 (“AFS 2024”) together with the Reports of the Directors and Auditors thereon were laid for discussion only. They do not require shareholders’ approval and hence was not put forward for voting.

On behalf of the Chairman, the company secretary tabled all the items on agenda as set out in the Notice of the 16th AGM.

She further informed that Messrs. Grant Thornton Malaysia PLT has informed the Company on their decision not to seek for re-appointment as Auditors of the Company at the 16th AGM and the Company will be appointing a new Auditors in place of Messrs. Grant Thornton Malaysia PLT as soon as practicable. Hence, the item 3 of the Agenda is not put forward for voting by members.

The members and proxies present have posted questions and the reply from the Company was as follow:-

- Q1. Do the Company give any token of appreciation for the shareholders for the year? Is the Company giving any door gift to shareholders attending this AGM?**

- A1. No door gift would be given to the shareholders attending this AGM.

The Meeting proceeded to voting by poll on all the resolutions on the agenda and all the resolutions were duly passed by the shareholders.

There being no further matters to discuss, the meeting concluded at 2:37 p.m. with a vote of thanks to the Chair.

Poll results of the 16th AGM is attached for reference.

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Poll results of the 16th AGM

Ordinary Resolutions	Vote For			Vote Against			Results
	No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
<u>Ordinary Resolution No. 1</u> To re-elect Mr. Chen Chee Peng retiring under Paragraph 102(1) and (2) of the Company's Constitution as a Director of the Company and who, being eligible offers himself for re-election.	25	435,448,298	99.9996	1	1,832	0.0004	Carried
<u>Ordinary Resolution No. 2</u> To re-elect Mr. Tay Ben Seng, Benson retiring under Paragraph 102(1) and (2) of the Company's Constitution as a Director of the Company and who, being eligible offers himself for re-election.	23	435,308,198	99.9674	3	141,932	0.0326	Carried
<u>Ordinary Resolution No. 3</u> To seek shareholders' mandate for the Board of Directors to appoint new auditors of the Company for the financial year ending 31 July 2025.	25	435,448,298	99.9996	1	1,832	0.0004	Carried
<u>Ordinary Resolution 4</u> To approve the payment of Directors' fees of not exceeding RM250,000.00 (FY2024:RM250,000.00) to Directors of the Company for the financial year ending 31 July 2025.	21	435,447,971	99.9995	5	2,159	0.0005	Carried

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Poll results of the 16th AGM (Continued...)

Ordinary Resolutions	Vote For			Vote Against			Results
	No. of shareholders	No. of shares	Percentage (%)	No. of shareholders	No. of shares	Percentage (%)	
<u>Ordinary Resolution 5</u> To approve the payment of benefits of not exceeding RM36,000.00 to the Directors of the Company from 16 th AGM until the next AGM of the Company.	21	435,447,971	99.9995	5	2,159	0.0005	Carried
<u>Ordinary Resolution 6</u> To empower the Directors to issue and allot up to 10% of the total number of issued shares of the Company.	20	435,304,496	99.9666	6	145,634	0.0334	Carried